

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: August 3, 2010]²

Bill No. and sponsor: S. 2422 (Mr. Sam Brownback of Kansas).

Proponent name,³ location: Payless ShoeSource, Inc.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Tennis shoes, basketball shoes and the like with outer soles of rubber, plastics, leather or composition leather and uppers of leather, valued over \$2.50 per pair, the foregoing for persons other than women (provided for in subheading 6403.99.90).

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject footwear for men or children has leather uppers and outer soles of specified non-textile materials and does not cover the ankle. The value threshold specified in the proposed heading refers to the customs value of the footwear. The primary import source is China, which supplied \$120 million of the \$238 million in dutiable imports under HTS statistical reporting number 6403.99.9041 in 2009. Other significant suppliers under that provision were Indonesia and Vietnam, with \$57.9 million and \$55.3 million, respectively, in dutiable imports in 2009.

¹ Industry analyst preparing report: Karen Taylor (202-708-4101); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor and proponent stated there are more than 10 beneficiaries (numerous retailers and suppliers) of this bill.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6403.99.90:

	2010	2011	2012	2013	2014
					
Col. 1-General rate of duty	10%	10%	10%	10%	10%
Estimated value <i>dutiable</i> imports ^a	\$237,800,000	\$237,800,000	\$237,800,000	\$237,800,000	\$237,800,000
Customs revenue loss ^b	\$23,780,000	\$23,780,000	\$23,780,000	\$23,780,000	\$23,780,000

a/ Dutiable import estimates reflect dutiable imports reported in official Government statistics for HTS statistical reporting number 6403.99.9041. It is not possible to exclude from these totals any footwear imports valued not over \$2.50 per pair, but it is likely that such imports are negligible.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Payless ShoeSource, Inc. (Proponent) Curtis Sneden, 785-295-6615	02/15/2010	No	Yes	No
American Apparel & Footwear Association Nate Herman, nherman@apparelandfootwear.org	01/16/2010	No	Yes	No
Footwear Distributors & Retailers of America Matt Priest, mpriest@fdra.org	01/14/2010	No	Yes	No

Technical comments:⁴

It is suggested that the article description of the proposed heading be amended to read as shown on page 1. The proponent of the bill has indicated a willingness to narrow the product description in the bill so as to result in a lower customs revenue loss, but no information on a potential revised description is available.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2422

To suspend temporarily the duty on certain leather upper sports footwear.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. BROWNBACK introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on certain leather upper sports footwear.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN LEATHER UPPER SPORTS FOOTWEAR.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.01.00	Tennis shoes, basketball shoes, and the like with outer soles of rubber, plastic, leather, or composition leather and uppers of leather, valued at more than \$2.50 per pair, the foregoing for persons other than women (provided for in subheading 6403.99.90)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
 2 subsection (a) applies to goods entered, or withdrawn from
 3 warehouse for consumption, on or after the 15th day after
 4 the date of the enactment of this Act.

